



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

February 7, 2007

Linda Eddy, Treasurer
Iowa Presidential Watch
PO Box 171
Webster City, IA 50595

Response Due Date:
March 12, 2007

Identification Number: C00384826

Reference: Amended October Quarterly Report (07/01/06-09/30/06), received
12/03/06

Dear Ms. Eddy:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule C discloses \$10,592.90 in loans owed to Ms. Linda L. Eddy (see attached). 2 U.S.C. §441a(f) and 11 CFR §§110.1(d) and 110.2(d) prohibit a committee and its affiliates from receiving any contribution from another political committee or person in excess of \$5,000 per calendar year. Please be advised that a loan owed by a committee to a person is a contribution from that person at the time it is incurred and to the extent that it remains outstanding. 11 CFR §100.52(b)(2) Further, a loan that exceeds the contribution limitations of 2 U.S.C. 441a and 11 CFR part 110 is unlawful whether or not it is repaid.

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information.

If any contribution you received exceeds the limits, you may have to refund the excessive amount. The funds can be retained if within 60 days of receipt, (1) the excessive amount was properly reattributed to another person, such as a joint account holder, by obtaining signed written

authorizations from each person making the contribution pursuant to 11 CFR 110.1(k)(3), and (2) the treasurer informs the person making the contribution that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution. Any request from a donor for a refund must be honored.

Alternatively, the funds can be retained if within 60 days of receipt you (1) transferred the excessive amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund. Any request from a donor for a refund must be honored.

If the foregoing conditions for reattributions or transfers to a non-federal account were not met within 60 days of receipt, the excessive amount must be refunded.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any reattributions should be reported as memo entries on Schedule A of the report covering the period during which the authorization for the reattribution is received. Any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report during which the transaction was made. Also, any debt repayments for federal operating expenditures should be disclosed on Schedule B supporting Line 21(b) during the appropriate reporting period.

Although the Commission may take further legal action regarding the acceptance of an excessive contribution(s), prompt action by your committee to seek reattribution, transfer-out or refund the excessive amount will be taken into consideration.

-Schedule B of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. 2 U.S.C. §441a(a) prohibits a non-multicandidate political committee and its affiliates, from making a contribution to a candidate for federal office in excess of \$2,100 per election. Please refer to the Campaign Guide for information on how a committee qualifies for multicandidate status.

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If any contribution you made exceeds the limits, you must request a refund of the excessive amount or provide a written authorization for a

redesignation of the contribution pursuant to 11 CFR §110.2(b) within 60 days of the treasurer's receipt.

If the foregoing conditions for redesignations were not met within 60 days of the treasurer's receipt, your committee must obtain a refund of the excessive amount.

If your committee has met the criteria for multicandidate status, please file FEC FORM 1M "Notification of Multicandidate Status" with the Commission. The treasurer must file FEC FORM 1M no later than ten (10) calendar days after qualifying for multicandidate committee status. 11 CFR §102.2(a)(3)

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund or redesignation request sent to the recipient committee(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received. Any redesignations should be disclosed as memo entries on Schedule B supporting Line 23 of the report covering the period during which the redesignation is made. 11 CFR §110.1(b)

Although the Commission may take further legal action regarding the excessive contribution(s), your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

-Schedule B supporting Line 23 of your report discloses one or more in-kind contributions to a candidate(s) for the 2006 Primary election; however, the contributions were made after the election date(s) (see attached). Please note that in-kind contributions may not be designated for an election which has already occurred.

If any apparently impermissible contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If you have made an impermissible contribution, you must request a refund or provide a written authorization for a redesignation of the contribution pursuant to 11 CFR §110.2(b) within 60 days of the treasurer's receipt.

If the foregoing conditions for redesignations were not met within 60 days of the treasurer's receipt, your committee must obtain a refund.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund or redesignation request sent

to the recipient committee(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received. Any redesignations should be disclosed as memo entries on Schedule B supporting Line 23 of the report covering the period during which the redesignation is made. 11 CFR §110.1(b)

Although the Commission may take further legal action regarding this impermissible activity, your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

-The totals listed on Lines 21(b), 21(c), and 29, Column B of the Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-The beginning cash balance of this report should equal the ending balance of your July Quarterly Report (04/01/06-06/30/06). Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-Your report discloses loans on Schedule C from Ms. Linda L. Eddy and Mr. Roger Hughes, which have not been recorded on Schedule A. Loans and loan repayments received must be reflected on Schedule A as well as on Schedule C. Please amend your report to clarify this discrepancy. 2 U.S.C. §434(b)(3)(E) and (5)(D)

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule(s) B supporting Line 21(b) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure

requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two-year election cycle beginning with the first report filed in the non-election year. Please verify that all expenses referenced above (i.e., rent, salaries, utilities, etc.) have been adequately disclosed. If volunteers have provided these services, please confirm this in writing.

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Contributions to Federal Candidates should be properly disclosed on a separate Schedule B, supporting Line 23 of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1139.

Sincerely,



Karen E. Trainer
Senior Campaign Finance Analyst
Reports Analysis Division

Excessive Contribution from an Individual

Contributor Name	Amount	Report
Ms. Linda L. Eddy	\$4,535.10	Amended 2006 October Quarterly
Ms. Linda L. Eddy	\$425.00	Amended 2006 October Quarterly
Ms. Linda L. Eddy	\$500.00	Amended 2006 October Quarterly
Ms. Linda L. Eddy	\$2,657.80	Amended 2006 October Quarterly
Ms. Linda L. Eddy	\$2,475.00	Amended 2006 October Quarterly
Ms. Linda L. Eddy	\$354.70	Amended 2006 October Quarterly

Excessive Contribution to a Candidate

Recipient Name	Date	Amount	Election	Report
Mr. John P. Murtha	\$1,050.00	07/15/2006	G2006	Amended 2006 October Quarterly
Mr. John P. Murtha	\$1,086.70	08/15/2006	G2006	Amended 2006 October Quarterly
Mr. John P. Murtha	\$1,018.00	09/15/2006	G2006	Amended 2006 October Quarterly
Mr. John P. Murtha	\$1,600.00	09/30/2006	G2006	Amended 2006 October Quarterly
Mr. John P. Murtha	\$134.65	09/17/2006	G2006	Amended 2006 October Quarterly
Mr. John P. Murtha	\$404.49	09/25/2006	P2006	Amended 2006 October Quarterly
Mr. John P. Murtha	\$2,695.00	09/30/2006	P2006	Amended 2006 October Quarterly

Contribution After Election Date

Recipient Name	Date	Amount	Election	Election State - Date
Mr. John P. Murtha	\$404.49	09/25/2006	P2006	Pennsylvania-05/16/06
Mr. John P. Murtha	\$2,695.00	09/30/2006	P2006	Pennsylvania-05/16/06

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